

## APPENDIX 18

# MINDARIE REGIONAL COUNCIL

## Waste Management Authority



Our Ref:

Your Ref:

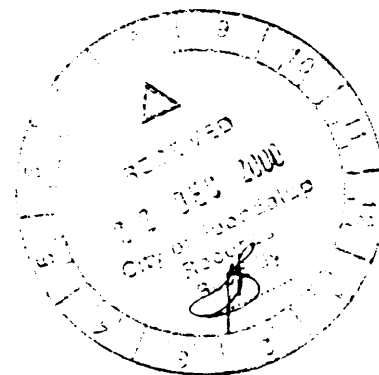
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20 December 2000

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		Action Officer: DM

City of Joondalup

CLUES  
CEO  
MAYOR



Mr L. Delahaunty  
Chief Executive Officer  
City of Joondalup  
Boas Avenue  
JOONDALUP WA 6027

Dear Mr Delahaunty

The Mindarie Regional Council has previously received a proposal from the City of Stirling for the disposal of baled residue from the processing of their waste by a commercial organisation, Atlas, to Tamala Park at nil cost. The Mindarie Regional Council had previously commissioned an investigation into this proposal in order to establish the relative benefits and disbenefits to not only the Regional Council but also Member Councils.

This investigation was completed in late November 2000, and the Council considered the results of the investigation at its meeting on 14 December 2000. The Council, at this meeting, resolved as follows:

**That the Mindarie Regional Council:**

- (i) Note that work completed by the independent investigation team in regard to the City of Stirling proposal
- (ii) Approve the City of Stirling proposal, as follows
  - (a) That any baled waste from Atlas treatment be disposed to Tamala Park at nil cost per tonne
  - (b) That Atlas be required to demonstrate an appropriate authentication process for the composition of bales
  - (c) That Atlas manage disposal of bales at Tamala Park
  - (d) That the arrangement be confined to either the expiry of the Stage One Landfill or two years, whichever ever is the lesser.

- (iii) Approve this modified proposal subject to approval by each Member Council of the Mindarie Regional Council
- (iv) Note that acceptance of this proposal by Mindarie Regional Council, and Member Councils, is demonstrated level of commitment to secondary treatment, as required by Minister for the Environment.

Each Member Council is requested to formally consider this City of Stirling proposal, as described in the attached papers, and notify the Mindarie Regional Council of its decision on this matter. Representatives from the City of Stirling and the Regional Council are available to brief the appropriate meetings on the detail associated with the proposal, if required.

Any enquiries on the proposal, including requirements for briefings, can be directed me on telephone number 9305 5510.

In summary, the Regional Council has agreed that the City of Stirling proposal should be supported because of a range of benefits to the Regional Council, as well as to Member Councils. Your early advice on a decision regarding this matter would be appreciated; however, such consideration should be completed during February 2001, so that further action can commence, in the wake of a decision

Yours sincerely



**K F POYNTON**  
Chief Executive Officer

kfp/pp

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11 SEP 2000

BY: *T...*



City of Stirling

From the Office of the Chief Executive

Enquiries: Mr R Moody (9345 8695)

Our Ref: 8.4.0.2.4, 8.4.1.0 (281159)

7 September, 2000

Chief Executive Officer  
Mindarie Regional Council  
PO Box 538  
JOONDALUP WA 6919

Dear Sir

#### CITY OF STIRLING USE OF TAMALA PARK

The City of Stirling, as a participating Council in the Mindarie Regional Council (MRC) is greatly concerned at the rapid reduction in available airspace for landfilling at Tamala Park. With the Minister for the Environment indicating that she is not in favour of the development of more landfill space, the Regional Council is under even greater pressure to conserve the limited air space it presently has approval for.

A significant opportunity exists for the City of Stirling and the MRC to benefit from the City's re-use of the ATLAS Secondary Waste Treatment Process (SWTP). It is contended the MRC could be better off by at least \$5.5 million over the remaining life of the site if the City of Stirling uses ATLAS. This letter details how this outcome could be achieved.

The City of Stirling (COS) is in a dilemma in terms of its use of Tamala Park for a number of reasons:

- If COS continues to use Tamala Park at current rates in lieu of the ATLAS SWTP the life of the existing site will be significantly reduced.
- If COS doesn't use Tamala Park ratepayers will pay a premium of at least \$25/tonne. Not only does the City pay this premium but at the same time its non-use of Tamala Park effectively subsidises other member Councils by giving them low tipping fees for longer.
- If COS doesn't use Tamala Park every cubic metre of air space not taken by COS is available for "sale" to casual users at a much greater return to the MRC and in turn to other member Councils.
- The Minister for the Environment has resolved that ATLAS will not be permitted to dispose of residue bales from the SWTP at their Mirrabooka landfill site. The DEP has indicated they will not allow the bales to be accepted at another Class 1 landfill site and the bales should be disposed of at Tamala Park
- There is a significant cost impost to the City for the bales to be disposed of at Tamala Park. It is estimated the disposal cost alone will be \$340,000 per annum. The Council is not prepared to ask its ratepayers to finance this impost. ATLAS has agreed to absorb the significant transport cost to get the bales from Mirrabooka to Tamala Park.

The Council (COS) has previously indicated its preparedness to pay a fee of \$65.00 per tonne to ATLAS but no more. This was based on the price before the Minister's decision to require transport of the bales off site from Mirrabooka.

The following table provides a basic estimate of the benefit to MRC if COS uses the ATLAS SWTP.

Valuation of savings in airspace for Mindarie Regional Council			
No of years of life left	3.5		
reduction in waste per annum (T)	46900		
re sell airspace to casuals	year	est tipping rate	annual value
	2000/1	\$ 37.00	\$ 867,650.00
	2001/2	\$ 40.00	\$ 1,876,000.00
	2002/3	\$ 43.00	\$ 2,016,700.00
	2003/4	\$ 46.00	\$ 2,157,400.00
Total estimated resale value for remaining 3.5 years			<u>\$ 6,917,750.00</u>

The table demonstrates the MRC could be \$6.9 million better off over the life of the current site based on the use of the available air space by casual tippers and COS using ATLAS and depositing only the bales at Tamala Park. Alternatively the site would be available for a longer period to member Councils which could be critical in terms of the lead time required to establish a new site and an SWTP. The increase in life to Tamala Park under this scenario is estimated at 37 weeks based on projections for the site and an avoided volume equivalent to 164,000 tonnes. This represents an extension of 20% to current estimated life.

In regard to the extended life alternative it is strongly recommended the MRC considers a pricing strategy aimed at maintaining income but extending the life of the site. This legitimate strategy has worked to great success at other landfill locations.

#### Proposition

The City's proposition is that the MRC allows the residue bales from the ATLAS SWTP to be disposed of at no charge. This would allow the City to recommence using the ATLAS SWTP and release an equivalent air space to 47,000 tonnes of domestic waste per year at Tamala Park. It is estimated the net financial benefit to the MRC would be in excess of \$5.5M.

Cost of disposing of residue for 3.5 years				
Tonnes p.a.	year	(members) rate	value	
13,400	2000/1	\$ 14.00	\$	187,600.00
20,100	2001/2	\$ 17.00	\$	341,700.00
20,100	2002/3	\$ 20.00	\$	402,000.00
20,100	2003/4	\$ 23.00	\$	462,300.00
Total (forgone) tipping fee				<u>\$ 1,393,600.00</u>

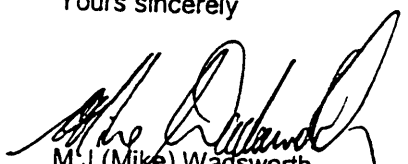
Alternatively the City could be given a rebate say monthly in arrears, equivalent to the fee paid to dispose of the bales.

While this proposal may appear hard to "sell" to member Councils there is clearly a significant financial benefit to all members. If this proposal is not acceptable, which would be extremely difficult to understand, then the City of Stirling would reserve the right to have access to the equivalent air space of 67,000 tonnes of domestic waste annually and on sell that right.

The City of Stirling asks that this proposal be given your most urgent consideration so that both the City and the members of the Regional Council can take advantage of the benefits presented at the earliest opportunity.

Should you wish to discuss this matter please do not hesitate to contact me on 9345 8500.

Yours sincerely

  
M.J. (Mike) Wadsworth  
CHIEF EXECUTIVE OFFICER

cc: Chairman, Mindarie Regional Council